

## Message Text

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17

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 SAM-01 OPIC-03 DODE-00 PM-04 H-02 L-03

NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00

USIE-00 INRE-00 /069 W

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O R 191152Z FEB 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 6055

INFO AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS: EINV, PO

SUBJ: TIMEX DISPUTE

REF: (A) STATE 36194, (B) STATE 38118

1. TIMEX MANAGEMENT STATES THAT LABOR MINISTRY APPROVAL OF ITS PROPOSAL TO GO ON 60 PERCENT WORK SCHEDULE MUST BE GIVEN BY FEBRUARY 24; IF APPROVAL NOT FORTHCOMING, TIMEX WILL ANNOUNCE LAY-OFF ON FEBRUARY 24 OF ADDITIONAL 500 WORKERS IN ORDER TO RESUME FULL TIME WORK SCHEDULE FOR REMAINING 700 WORKERS.

MANAGEMENT HOPES TO SEE LABOR MINISTER FEBRUARY 19 TO REQUEST MINISTER'S DECISION AND TO PRESENT FOR HIS STUDY DRAFT COMMUNIQUE ANNOUNCING ADDITIONAL LAY-OFF. COMMUNIQUE WILL BE LEFT AT MINISTRY SHOULD NO MEETING TAKE PLACE. TIMEX MAINTAINS THAT ANSWER IS NEEDED BY FEBRUARY 24 SO THAT MONTHLY PAYROLL, TO BE PAID ON FEBRUARY 27, CAN BE PREPARED. A NEGATIVE DECISION ON ORIGINAL TIMEX PROPOSAL (700 LAY-OFF/60 PERCENT WORK SCHEDULE) MEANS THAT TIMEX IS LEGALLY OBLIGED TO CONTINUE FULL WORK-WEEK. SUCH A NEGATIVE DECISION WOULD NECESSITATE THE ADDITIONAL LAY-OFF, ACCORDING TO MANAGEMENT, IF THE FIRM IS TO REMAIN FINANCIALLY Viable.

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2. LOCAL MANAGEMENT IS NOT CLEAR WHAT U.S. MANAGEMENT MEANS BY THREE-MAN COMMITTEE (REF A, PARA 4). IT HAS MET WITH FIVE-MAN COMMITTEE OF ANALYSIS ESTABLISHED BY LABOR MINISTRY BUT NO PROGRESS HAS BEEN MADE. WHILE MANAGER HAS NOT MET WITH MINISTER RECENTLY, HE HOPES TO SEE HIM FEBRUARY 19. MANAGEMENT WILL ADVISE EMBASSY OF RESULTS AND MAY THEN REQUEST ASSISTANCE IN FACILITATING MEETING. HOWEVER, MANAGER CONTINUES TO MAINTAIN THAT TIMEX ORIGINAL PROPOSAL IS FIRM'S MINIMUM BARGAINING POSITION.

3. SITUATION AT PLANT PEACEFUL BUT CHAOTIC. A GROUP OF WORKERS FROM ADMINISTRATIVE AND OTHER SUPPORT SERVICES OPPOSING WORKERS COMMITTEE (BUT NOT NECESSARILY SUPPORTING MANAGEMENT) HAS GONE ON PARTIAL STRIKE. FOUR-HOUR GENERAL MEETING, WITH MANAGEMENT ATTENDING, TOOK PLACE FEBRUARY 18. SEVERAL PROPOSALS PUT FORTH BUT NO PROGRESS. ONLY ABOUT 30 PERCENT OF "DISMISSED" WORKERS NOW COMING TO PLANT.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR RELATIONS, CLOSURE OF OFFICES, PERSONNEL SEPARATIONS, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** EINV, BGEN, PO, US, TIMEX  
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